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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000939

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TAGS: PGOV PREL TW CH

SUBJECT: THE KMT-CCP CROSS-STRAIT FORUM UNDER CHAIRMAN MA

REF: A. TAIPEI 0896

¶B. TAIPEI 0650

¶C. TAIPEI 0433

Classified By: AIT Acting Director Robert S. Wang,
for Reasons 1.4(B) and (D).

¶11. (C) Summary. President Ma Ying-jeou, who was uncontested in the July 26 election for Chairman of the Kuomintang (KMT), is likely to continue the KMT-CCP Cross-Straight Forum. The event, which held its fifth meeting July 11-12 in Changsha, Hunan, on educational, cultural, and social issues, has emerged as an important, unofficial channel between Taipei and Beijing. Even some Democratic Progressive Party (DPP) members have shown interest in the Forum and other cross-Straight exchanges, prompting DPP leaders to tighten regulations governing travel to the mainland and, ultimately, expel two former DPP officials who attended the Changsha session (refs A, B). KMT contacts advise that the cross-Straight relationship is not yet mature enough for a meeting of "equals" between Ma and PRC President/CCP General Secretary Hu Jintao. As a result, future KMT delegations likely will be led by an honorary Chairman and the Secretary General. End Summary.

From Opposition to Government Channel

¶12. (C) The July 11-12 Cross-Straight Economic, Trade, and Cultural Forum (colloquially known as the KMT-CCP Forum) held in Changsha, Hunan, was the fifth since the event was launched in 2006. Established during DPP President Chen Shui-bian's second term, the Forum was originally envisioned as a way to maintain cross-Straight dialogue despite Chen's pro-independence stance, according to KMT Deputy Secretary General Chang Jung-kung. Now that the KMT holds the Presidency and 80 of the 113 seats in the Legislative Yuan, he said, the party works with the various government ministries in developing and negotiating agenda items with the Chinese Communist Party (CCP). The KMT maintains a say in the agenda, but increasingly defers to government positions, said Chang. He emphasized that the Forum is only intended to raise issues at a general level. Negotiating agreements remains the purview of the official channel between the Straits Exchange Foundation (SEF) and the Association for Relations Across the Taiwan Straits (ARATS).

Changsha Recommendations, Taiwan Soft Power

¶13. (C) KMT Chairman Wu Po-hsiung led the 270-member delegation, including party members, academics, government officials and two DPP members, from Taiwan to Changsha July 11-12. (Note: According to DPP contacts, another DPP member was invited and went to Changsha, but did not participate in the forum. End note.) CPPCC Chair Jia Qinglin led the CCP delegation. More than five hundred participants, in all, attended the forum, which issued six joint recommendations: strengthen cross-Straits cultural exchanges, encourage joint compilation of a Chinese-language dictionary, deepen cooperation of cross-Straits cultural industries and promote cross-Straits cultural exchanges and cooperation, establish a cross-Straits cooperative mechanism on culture and education, reinforce exchanges between media companies across the Strait, and support cooperation with Taiwan enterprises in the environmental field.

¶14. (C) Tsai Cheng-wen, president of the KMT-affiliated thinktank National Policy Foundation (NPF), told AIT Econoff that educational exchange was a principal topic of discussion during the Changsha session and that both sides agreed on the importance of facilitating student and teacher exchanges. Tsai also noted that Taiwan's Council for Cultural Affairs is preparing for a "culture summit" to be held in China in September. Tsai recommended that Taiwan actively pursue a wide range of exchanges, particularly educational, as part of a "soft power" strategy to exert long-term influence on the mainland. (Note: The NPF is involved in planning and research for the KMT-CCP Cross-Straits Forum.) President Ma himself has spoken of using Taiwan's soft power, through social, cultural, and educational exchanges, to demonstrate to the

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mainland that democracy is compatible with Chinese culture (ref C).

The Cross-Straits Forum's Expanding Membership?

¶15. (C) KMT Secretary General Wu Den-yih pointed out to us recently that the name of the forum has always been the Cross-Straits Forum, not the KMT-CCP Forum so often reported in the media. While the leaders of the two delegations are from the KMT and CCP, the delegation's membership is far more inclusive, said Wu. DSYG Chang acknowledged that some government officials as well as DPP members participated in the July 11-12 forum, but did not use their titles.

According to DPP contacts, former DPP legislator Hsu Jung-shu and former Council of Agriculture head Fan Chen-tzung were the first DPP members ever to attend a KMT-CCP Forum. The outrage their participation sparked within the opposition party ultimately prompted the DPP to expel them in an effort to deter growing interest among senior members in traveling to China in a non-personal capacity (refs A, B). DPP officials maintain that invitations by both the KMT and CCP to participate in the forum are efforts to create internal divisions within the party. (Note: Per ref A, DPP Chair Tsai Ing-wen explained to AIT that the party will not block visits to the mainland by its members as long as they are related to their substantive work. She argued the attendance at the recent KMT-CCP forum had no purpose at all and hinted there were personal business considerations involved.)

Who Will Lead?

¶16. (C) Although Taiwan's delegation has traditionally been led by the KMT Chairman, KMT contacts across the board dismissed speculation that Ma, who was elected KMT Chairman on July 26, would attend future sessions of the Forum. KMT SYG Wu Den-yih told the ADIR July 30 that Ma would likely appoint an Honorary Chairman as well as the Secretary General to co-lead future delegations. The cross-Straits relationship was not mature enough yet to have a Ma-Hu meeting, said Wu. Ma is the president and the Taiwan people would expect him to be acknowledged as such; this is the basic condition for

accepting a Ma-Hu meeting, Wu insisted.

Cross-Straight Approach Remains Cautious

¶7. (C) Despite opposition criticism that the Ma administration is moving too fast and that economic over-reliance on China gives Beijing the ability to pressure Taiwan, SYG Wu underscored the KMT administration's cautious approach toward the pace of cross-Straight improvements. If Taiwan moves too fast, said Wu, then the stability of the relationship is affected. Opening is easy; pulling back is hard. The KMT does not want to go too fast. One example of this cautious approach is in the area of finances. Chinese investment in Taiwan is being limited, precisely because Taiwan is aware of the imbalance in resources. Wu noted that this imbalance in land and economic resources affects the entire relationship between Taiwan and the mainland. Unlike North and South Korea, or East and West Germany, the differences in land mass and resources between Taiwan and China are so large that it is difficult for China to see that it must deal with Taiwan on an equal basis. This is the real difficulty, claimed Wu, in the cross-Straight relationship.

Comment

¶8. (C) In some ways, Ma's move to run as Chairman demonstrates his desire to ensure a clear and consistent message across the Strait. As Chair, he can not only directly manage this important unofficial channel between Taipei and Beijing, but also, by denying the possibility of a Ma-Hu meeting, he can address domestic demands that he demonstrate his protection of Taiwan's sovereign interests while he moves forward with his cross-Straight agenda.

WANG